

**VERIZON NORTHWEST INC
SEPARATED RESULTS SUMMARY
STATE OF WASHINGTON - COMBINED
QUARTERLY COMPLIANCE REPORT
TWELVE MONTHS ENDED SEPTEMBER 2009
(Dollars in Thousands)**

	BOOKED BASIS			ADJUSTED BASIS			Composite Bkd Factors
	Total Regulated	Interstate	Intrastate	Total Regulated	Interstate	Intrastate	
OPERATING REVENUES							
Local Network Service	178,730	-	178,730	178,730	-	178,730	100.00%
Network Access Revenues	232,810	212,443	20,367	232,810	212,443	20,367	8.75%
Long Dist Netwk Revenues	15,497	49	15,448	15,497	49	15,448	99.68%
Miscellaneous Revenues	27,668	9,317	18,352	65,168	9,317	55,852	66.33%
Uncollectibles	(3,446)	(836)	(2,610)	(3,446)	(836)	(2,610)	75.73%
Total Operating Revenues	451,259	220,972	230,287	488,759	220,972	267,787	
OPERATING EXPENSES							
Plant Specific Operations	57,673	14,328	43,345	53,496	13,291	40,206	75.16%
Plant Non-Spec Operations	38,335	13,084	25,251	35,136	11,992	23,144	65.87%
Customer Operations	46,720	10,406	36,314	43,565	9,703	33,862	77.73%
Corporate Operations	84,614	20,011	64,602	81,102	19,181	61,921	76.35%
Depreciation & Amort	195,779	51,637	144,142	195,779	51,637	144,142	73.62%
Other Income & Expenses	(891)	(228)	(663)	(891)	(228)	(663)	74.41%
Juris Diff - Depr/IDC	-	-	-	-	-	-	-
Total Operating Expenses	422,230	109,238	312,992	408,187	105,575	302,611	74.13%
Operating Taxes Other than Inc	21,773	5,564	16,210	21,773	5,564	16,210	74.45%
EBIT	7,256	106,170	(98,914)	58,799	109,833	(51,034)	
INCOME TAXES							
State Income Tax	-	-	-	-	-	-	-
Net Federal Income Tax	(3,093)	35,710	(38,804)	14,947	36,992	(22,045)	
Total Income Taxes	(3,093)	35,710	(38,804)	14,947	36,992	(22,045)	
NET OPERATING INCOME	10,349	70,460	(60,110)	43,853	72,841	(28,988)	
INVESTMENT (AVG)							
Telecomm Plant in Service	2,783,433	711,382	2,072,051	2,777,920	709,973	2,067,946	74.44%
Other Assets (SFAS 87)	-	-	-	-	-	-	-
Juris Assets-TPIS	-	-	-	-	-	-	-
Depr & Amort Reserve	1,680,426	425,656	1,254,770	1,680,426	425,656	1,254,770	74.67%
Deferred Income Taxes	228,582	56,312	172,270	228,582	56,312	172,270	75.36%
Net - Pension Plan	(56,269)	(13,368)	(42,901)	(150,427)	(35,738)	(114,689)	76.24%
RATE BASE	930,694	242,783	687,911	1,019,339	263,744	755,595	73.91%
Rate Base ROR	1.11%	29.02%	-8.74%	4.30%	27.62%	-3.84%	

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	TOTAL STATE BOOKED RESULTS	(A) Docket # UT-061777	(B) FAS 106 OPEB	ADJUSTMENTS							ADJUSTED TOTAL STATE	ADJUSTED INTRASTATE
				(C)	(D)	(E)	(F)	(G)	(H)	(I)		
Operating Revenues	451,259	37,500									488,759	267,787
Operating Expenses/Taxes	444,003		(14,043)								429,960	318,821
EBIT	7,256	37,500	14,043								58,799	(51,034)
Income Taxes	(3,093)	13,125	4,915								14,947	(22,045)
Net Operating Income	10,349	24,375	9,128								43,853	(28,988)
Rate Base	930,694		88,645								1,019,339	755,595
Rate of Return	1.11%										4.30%	-3.84%

Adjustment Footnotes:	Account(s)
(A) Order No. 1 in Docket # UT061777	5230
(B) FAS 106 OPEB (Adj from accrual to paygo)	Various
(C)	
(D)	
(E)	
(F)	
(G)	
(H)	
(I)	

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ADJUSTMENTS - TOTAL STATE

TOTAL STATE	TOTAL	(A) Docket #	(B) & (E) FAS 106	(C)	(D)	(E)	(F)	(G)	(H)	(I)
	ADJUSTMENTS	UT-061777	OPEB							
OPERATING REVENUES										
Local Network Service										
Network Access Revenues										
Long Dist Ntwk Revenues										
Miscellaneous Revenues	37,500	37,500								
Uncollectibles										
Total Operating Revenues	37,500	37,500								
OPERATING EXPENSES										
Plant Specific Operations	(4,177)		(4,177)							
Plant Non-Spec Operations	(3,199)		(3,199)							
Customer Operations	(3,155)		(3,155)							
Corporate Operations	(3,512)		(3,512)							
Depr & Amort										
Other Income & Expenses										
Juris Diff - Depr/IDC										
Total Operating Expenses	(14,043)		(14,043)							
Operating Taxes Other than Income										
EBIT	51,543	37,500	14,043							
INCOME TAXES										
State Income Tax										
Net Federal Income Tax	18,040	13,125	4,915							
Total Income Taxes	18,040	13,125	4,915							
NET OPERATING INCOME	33,503	24,375	9,128							
INVESTMENT (AVG)										
Telecom Plant in Service	(5,513)		(5,513)							
Prop Held for Future Use										
Other Assets (SFAS 87)										
Depr & Amort Reserve										
Deferred Income Taxes										
Juris Assets-TPIS										
Other LT Liab - SFAS 106, 112	(94,158)		(94,158)							
RATE BASE	88,645		88,645							

ADJUSTMENTS - INTRASTATE

INTRASTATE

OPERATING REVENUES

Local Network Service
 Network Access Revenues
 Long Dist Ntwk Revenues
 Miscellaneous Revenues
 Uncollectibles

Total Operating Revenues

OPERATING EXPENSES

Plant Specific Operations
 Plant Non-Spec Operations
 Customer Operations
 Corporate Operations
 Depr & Amort
 Other Income & Expenses
 Juris Diff - Depr/IDC

Total Operating Expenses
 Operating Taxes Other than Income
 EBIT

INCOME TAXES

State Income Tax
 Net Federal Income Tax
 Total Income Taxes

NET OPERATING INCOME

INVESTMENT (AVG)

Telecom Plant in Service
 Prop Held for Future Use
 Other Assets (SFAS 87)
 Depr & Amort Reserve
 Deferred Income Taxes
 Juris Assets-TPIS
 Other LT Liab - SFAS 106, 112

RATE BASE

	TOTAL	(A) Docket #	(B) & (E) FAS 106	(C)	(D)	(E)	(F)	(G)	(H)	(I)
ADJUSTMENTS		UT-061777	OPEB							
Local Network Service										
Network Access Revenues										
Long Dist Ntwk Revenues										
Miscellaneous Revenues	37,500	37,500								
Uncollectibles										
Total Operating Revenues	37,500	37,500								
Plant Specific Operations	(3,139)		(3,139)							
Plant Non-Spec Operations	(2,107)		(2,107)							
Customer Operations	(2,453)		(2,453)							
Corporate Operations	(2,681)		(2,681)							
Depr & Amort										
Other Income & Expenses										
Juris Diff - Depr/IDC										
Total Operating Expenses	(10,380)		(10,380)							
Operating Taxes Other than Income										
EBIT	47,880	37,500	10,380							
State Income Tax										
Net Federal Income Tax	16,758	13,125	3,633							
Total Income Taxes	16,758	13,125	3,633							
NET OPERATING INCOME	31,122	24,375	6,747							
Telecom Plant in Service	(4,104)		(4,104)							
Prop Held for Future Use										
Other Assets (SFAS 87)										
Depr & Amort Reserve										
Deferred Income Taxes										
Juris Assets-TPIS										
Other LT Liab - SFAS 106, 112	(71,788)		(71,788)							
RATE BASE	67,684		67,684							